



THE ASSAM GAZETTE

অসাধাৰণ

EXTRAORDINARY

প্ৰাপ্ত কৰ্তৃত্ব দ্বাৰা প্ৰকাশিত

PUBLISHED BY THE AUTHORITY

নং 371 দিশপুৰ, বৃহস্পতিবাৰ, 12 আগষ্ট, 2021, 21 শাওণ, 1943 (শক)

No. 371 Dispur, Thursday, 12th August, 2021, 21st Sravana, 1943 (S. E.)

GOVERNMENT OF ASSAM

ORDERS BY THE GOVERNOR

ASSAM LEGISLATIVE ASSEMBLY SECRETARIAT

NOTIFICATION

The 11th August, 2021

No. LLE.134/2021/1213.- The following Bill introduced in the House **on 11th August, 2021** along with the Statement of Objects and Reasons are to be published under Rule 71 of the Rules of Procedure and Conduct of Business in Assam Legislative Assembly for General information.

THE ASSAM MUNICIPAL (SECOND AMENDMENT) BILL, 2021

A

BILL

further to amend the Assam Municipal Act, 1956.

Preamble

Whereas it is expedient further to amend the Assam Municipal Act, 1956, hereinafter referred to as the principal Act, in the manner hereinafter appearing;

Assam Act
XV of 1957

It is hereby enacted in the Seventy-second Year of the Republic of India as follows :-

Short title, extent and commencement

1. (1) This Act may be called the Assam Municipal (Second Amendment) Act, 2021.
- (2) It shall have the like extent as the principal Act.
- (3) It shall be deemed to have come into force on the 1st day of April, 2021.

Amendment of section 79-B

2. In the principal Act, in section 79-B, -
 - (i) in the first para, for the existing words, "Methods of calculation of Carpet Area for commutation of Annual Rental Value of a Holding.- For the purpose of calculation of Annual Rental Value of a Holding, measurement of Carpet Area shall be calculated as under", the words "Methods of calculation of Carpet Area and Land Value for computation of Annual Rental Value of a Holding.- For the purpose of calculation of Annual Rental Value of a Holding, measurement of Carpet Area and Land Value shall be calculated as under" shall be substituted.

- (ii) after clause (v), the following new clauses shall be inserted, namely:-

"(vi) Land Value shall be determined as per prevailing circle rate;

(vii) State Government shall notify the Method of Calculation of Annual Rental Value from time to time. While arriving at such calculations, the State Government shall refer to the parameters or reform parameters prescribed in various guidelines published by Government of India relating to property tax calculations. The calculation shall also be on the basis of the prevailing Circle Rates published by the State Revenue Authority for a particular Town. In case the Circle Rate is not available for any Urban Local Body, suitable annual escalation on the latest available Circle Rate shall be taken into consideration. State Government shall notify the rates applicable for each Urban Local Body along with maximum ceiling, minimum rate of enhancement per annum, rebates and exemptions, if any."

STATEMENT OF OBJECTS AND REASONS

The Bill seeks to amend the Assam Municipal Act, 1956 (Assam Act No. XV of 1957) in respect of section 79-B relating to commutation of Annual Rental Value of holdings under the jurisdictions of Municipal Boards in general areas of Assam.

Property Tax is one of the major sources of revenue for Urban Local Bodies (ULBs). Section 68 of the Assam Municipal Act, 1956 empowers ULBs to levy property taxes on all residential, commercial, industrial and other holdings within their respective municipal jurisdictions. As per the provisions of the Act, the property tax payable is based on the Annual Rental Value of the holding which is the multiple of the Carpet Area and Rental Value per square feet of the Building. This Rental Value fixed by the ULBs for different classes of holdings are to be approved by a committee constituted under the Chairmanship of Deputy Commissioner as per the provision of the Section 79- A (5) of the Assam Municipal Act, 1956. Though value of the building is a component of Rental Value, there is no provision at present in the Assam Municipal Act, 1956 to include the Circle Rate which gives the current value of a property.

Ministry of Finance, Government of India has decided to provide additional borrowing limit of up to 2% of GSDP to the State with additional borrowing limit of 0.25% GSDP to ULBs for the year 2020-21 on undertaking certain reforms to strengthen the ULBs. Accordingly, the property tax, water supply tax, drainage and sewerage tax are to be linked with the circle rate. Though the building value is a component for computing the Annual Rental Value for assessment of property tax, in order to reap the benefit of the reform, the circle rate is also to be incorporated.

Therefore, it is imperative that necessary amendments are to be made in the Assam Municipal Act, 1956 to include the Circle Rate in Rental Value to make the assessment of Property Tax more dynamic and up to date. Accordingly, amendments have been proposed in the Assam Municipal Act, 1956 to empower State Government to notify from time to time the Method of Calculation of Annual Rental Value by taking into consideration the prevailing Circle Rate available for Urban Local Bodies. Thus the State shall be able to address the reform agenda as mandated by the Ministry of Finance, Government of India and also to qualify for the additional borrowing as stated above.

The relevant clauses of the Assam Municipal Act, 1956 i.e. existing provisions are placed below at Annexure-I.

ASHOK SINGHAL,
Minister,
Urban Development Department, Assam.

S. K. SHARMA,
Secretary,
Assam Legislative Assembly.

MEMORANDUM OF DELEGATED LEGISLATION

The Government does not propose to delegate any legislative powers to any agency subordinate to it in this Bill except as per the Rules to be prescribed thereunder.

FINANCIAL MEMORANDUM

There is no financial burden on the State Exchequer on account of the Bill.

S. K. SHARMA,
Secretary,
Assam Legislative Assembly.